

**SHERWOOD URBAN RENEWAL AGENCY BOARD OF DIRECTORS
MEETING AGENDA**

Tuesday, March 17, 2015
(Following the 7:00 pm City Council Meeting)

**City of Sherwood City Hall
22560 SW Pine Street
Sherwood, Oregon**

URA BOARD WORK SESSION

- 1. CALL TO ORDER**
- 2. ROLL CALL**
- 3. TOPICS**
 - A. Urban Renewal 101 (Tom Pessemier)**
- 4. ADJOURN**

Urban Renewal Agency Presentation March 17, 2015

Sherwood Urban Renewal District, a Primer

March 17, 2015
Date

URA Board of Directors
Gov. Body

Work Session
Agenda Item

A
Exhibit #

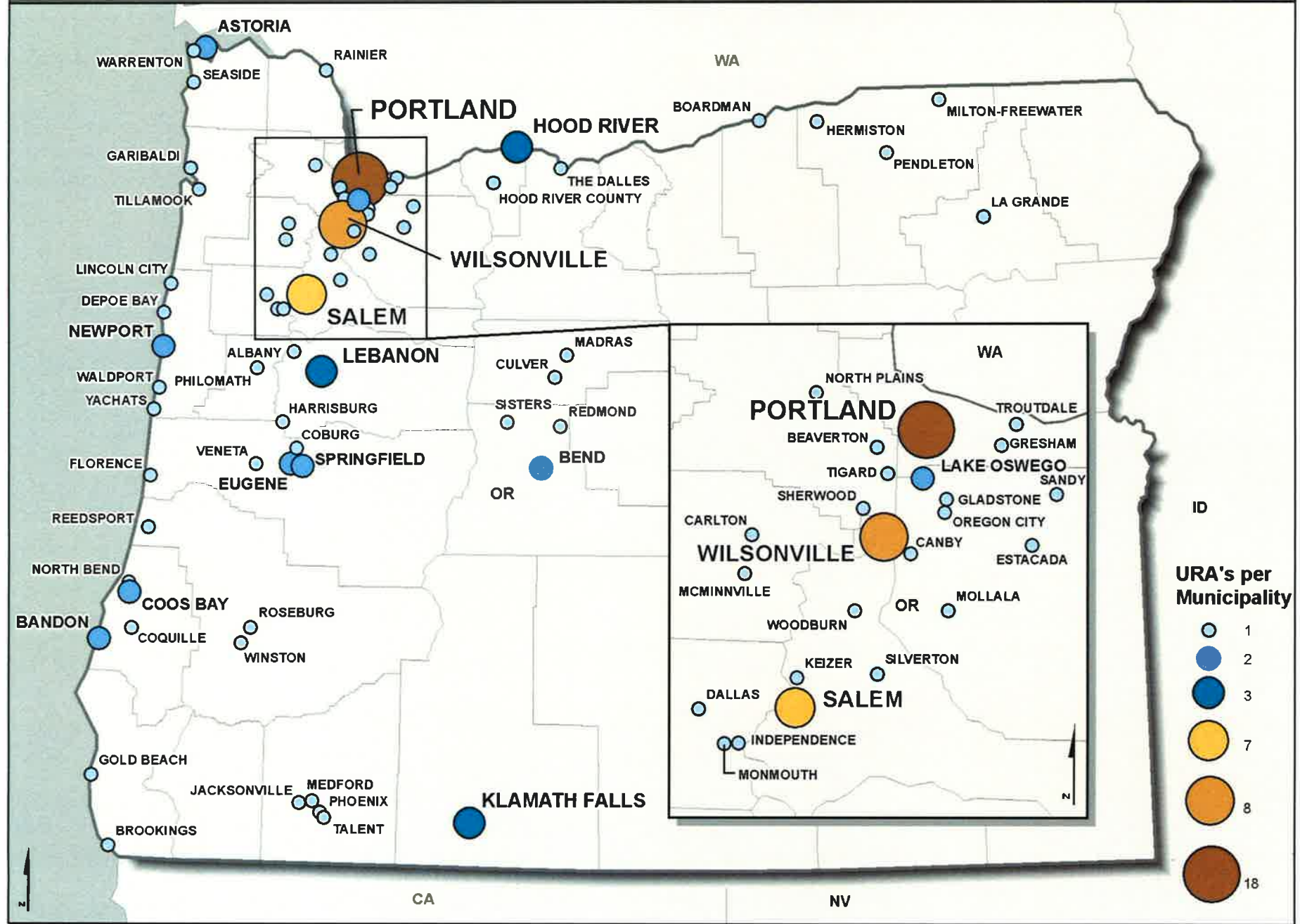
- Overview of Urban Renewal in Oregon
 - What is this thing called Urban Renewal?
- Sherwood's Urban Renewal History
 - What did I get myself into?
- Sherwood's Urban Renewal Future
 - How do I get out of this?

Today's Presentation

- Urban Renewal is a very specialized area of Oregon Law that is not commonly used. ORS 417.010-470
- The State Law has rarely been updated and lacks specificity in some areas.
- Urban Renewal was created by the State to allow cities to remove blight.
- The State's tax laws required creativity in order to make Urban Renewal work.

Urban Renewal in Oregon

Cities with Urban Renewal



- Creating a Urban Renewal District is defined by State Law
- The Urban Renewal Report and the Urban Renewal Plan
- The Urban Renewal Report identifies the need for the Urban Renewal District and the reasons for each of the plan elements.
- The Urban Renewal Plan contains the information about how the District will operate.
- State Law requires public involvement at all stages in the development of the Plan.

Urban Renewal District Creation

1. The Urban Renewal Plan and accompanying report shall be forwarded to the planning commission before recommendations to the governing body of the municipality.
2. The Urban Renewal Plan and accompanying report shall be forwarded to each taxing district affected by the plan for consultation and the governing body must accept, modify or reject any recommendations provided by the taxing district.
3. Public Notice is required before consideration by the governing body.
4. The Urban Renewal Plan must be approved by the governing body prior to being carried out.

Urban Renewal Steps to Adoption

457.085 Urban renewal plan requirements; accompanying report; contents; approval required.

- (1) An urban renewal agency shall provide for public involvement in all stages in the development of an urban renewal plan.
- (2) An urban renewal plan proposed by an urban renewal agency shall include all of the following:
 - (a) A description of each urban renewal project to be undertaken.
 - (b) An outline for the development, redevelopment, improvements, land acquisition, demolition and removal of structures, clearance, rehabilitation or conservation of the urban renewal areas of the plan.
 - (c) A map and legal description of the urban renewal areas of the plan.
 - (d) An explanation of its relationship to definite local objectives regarding appropriate land uses and improved traffic, public transportation, public utilities, telecommunications utilities, recreational and community facilities and other public improvements.
 - (e) An indication of proposed land uses, maximum densities and building requirements for each urban renewal area.
 - (f) A description of the methods to be used for the temporary or permanent relocation of persons living in, and businesses situated in, the urban renewal area of the plan.
 - (g) An indication of which real property may be acquired and the anticipated disposition of said real property, whether by retention, resale, lease or other legal use, together with an estimated time schedule for such acquisition and disposition.
 - (h) If the plan provides for a division of ad valorem taxes under ORS 457.420 to 457.460, the maximum amount of indebtedness that can be issued or incurred under the plan.
 - (i) A description of what types of possible future amendments to the plan are substantial amendments and require the same notice, hearing and approval procedure required of the original plan under ORS 457.095 as provided in ORS 457.220, including but not limited to amendments:
 - (A) Adding land to the urban renewal area, except for an addition of land that totals not more than one percent of the existing area of the urban renewal area.
 - (B) Increasing the maximum amount of indebtedness that can be issued or incurred under the plan.
 - (j) For a project which includes a public building, an explanation of how the building serves or benefits the urban renewal area.
- (3) An urban renewal plan shall be accompanied by a report which shall contain:
 - (a) A description of physical, social and economic conditions in the urban renewal areas of the plan and the expected impact, including the fiscal impact, of the plan in light of added services or increased population;
 - (b) Reasons for selection of each urban renewal area in the plan;
 - (c) The relationship between each project to be undertaken under the plan and the existing conditions in the urban renewal area;
 - (d) The estimated total cost of each project and the sources of moneys to pay such costs;
 - (e) The anticipated completion date for each project;
 - (f) The estimated amount of money required in each urban renewal area under ORS 457.420 to 457.460 and the anticipated year in which indebtedness will be retired or otherwise provided for under ORS 457.420 to 457.460;
 - (g) A financial analysis of the plan with sufficient information to determine feasibility;
 - (h) A fiscal impact statement that estimates the impact of the tax increment financing, both until and after the indebtedness is repaid, upon all entities levying taxes upon property in the urban renewal area; and
 - (i) A relocation report which shall include:
 - (A) An analysis of existing residents or businesses required to relocate permanently or temporarily as a result of agency actions under ORS 457.170;
 - (B) A description of the methods to be used for the temporary or permanent relocation of persons living in, and businesses situated in, the urban renewal area in accordance with ORS 35.500 to 35.530; and
 - (C) An enumeration, by cost range, of the existing housing units in the urban renewal areas of the plan to be destroyed or altered and new units to be added.

Urban Renewal Plan elements

457.085 Urban renewal **plan** requirements; accompanying report; contents; approval required.

(2) An urban renewal plan proposed by an urban renewal agency shall include all of the following:

(a) **A description of each urban renewal project** to be undertaken.

(b) An outline for the development, redevelopment, improvements, **land acquisition**, demolition and removal of structures, clearance, rehabilitation or conservation of the urban renewal areas of the plan.

(c) A **map and legal description** of the urban renewal areas of the plan.

(g) An indication of which **real property may be acquired and the anticipated disposition of said real property**

(h) If the plan provides for a division of ad valorem taxes under ORS 457.420 to 457.460, **the maximum amount of indebtedness** that can be issued or incurred under the plan.

(i) A process for **amendments to the plan (minor and substantial)**

(3) An urban renewal **report** containing:

(d) The **estimated total cost of each project** and the sources of moneys to pay such costs;

(g) A **financial analysis of the plan** with sufficient information to determine feasibility;

(h) A **fiscal impact statement that estimates the impact of the tax increment financing**, both until and after the indebtedness is repaid, upon all entities levying taxes upon property in the urban renewal area.

Urban Renewal Plan highlights

Tax Increment Financing:

“Increment” means that part of the assessed value of a taxing district attributable to any increase in the assessed value of the property located in an urban renewal area, or portion thereof, over the assessed value specified in the certified statement.

Example: If the assessed value of an urban renewal area is \$100 at year zero and goes up by 3% in year 1. The new assessed value of the area is \$103. The increment is the difference between year zero and year 1 which is \$3. The \$100 is distributed to taxing agencies as it had in the past and the \$3 goes to the Urban Renewal Agency.

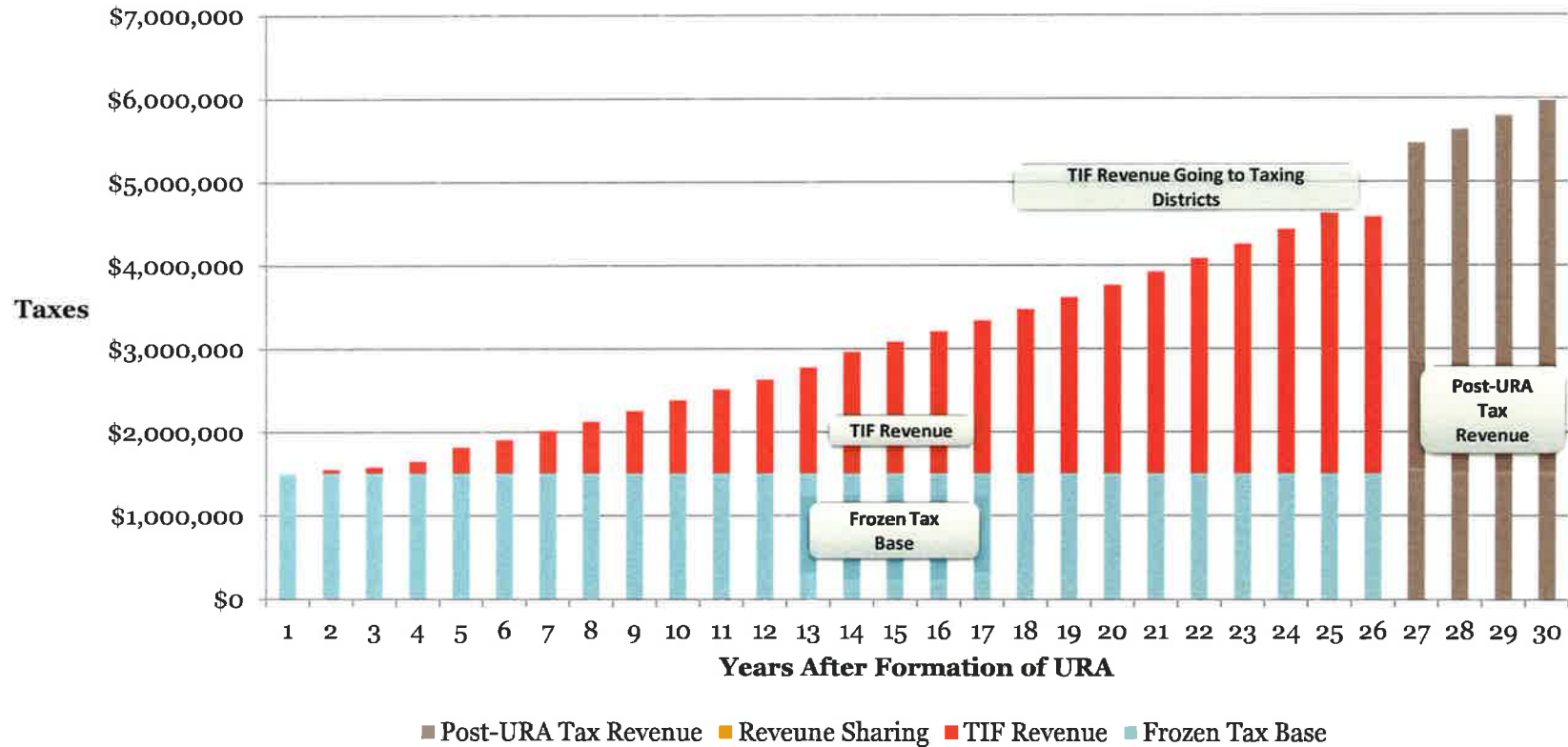
Urban Renewal Financing (TIF)

How Does Financing in Urban Renewal Work?



- An area is designated as an urban renewal area
- The tax assessed value of properties within the area is frozen
- Taxes from that “frozen base” go to all taxing jurisdictions
- Increases in taxes over the “frozen base” go to the urban renewal agency for use in the Area

Projected TIF Revenues



Property Tax Bills



- Add all increases in Assessed Value in Area
- Distribute Amount to all Property Tax Bills in City
- Does Not Increase Tax Bills, Just Shows the Division of Taxes
- Bonds

| | 2013 | 2013 |
|---------------------------|-------------------|-------------------|
| | Property Value | Property Value |
| | \$103,000.00 | \$103,000.00 |
| District Name | | |
| Yamhill County | \$265.48 | \$257.75 |
| Yamhill County Ext. Serv. | \$4.62 | \$4.49 |
| Yamhill Co. Soil & Water | \$3.65 | \$3.54 |
| McMinnville School Dist. | \$427.39 | \$414.94 |
| Willamette Regional ESD | \$30.56 | \$29.67 |
| City of McMinnville | \$517.06 | \$502.00 |
| Chemeketa Library | \$8.43 | \$8.18 |
| Chemeketa Comm. Coll. | \$64.47 | \$62.59 |
| Urban Renewal | | \$38.49 |
| Total | \$1,321.65 | \$1,321.65 |

Impacts on School Districts:

When considering the impacts on taxes imposed by overlapping districts, it should be noted that school districts are affected differently than other types of taxing districts.

Property taxes were once the primary funding source for K-12 schools and tax rates varied by district. Today, the State “equalizes” the school funding, using a formula that takes into account property tax revenue generated at the school district level and revenue from the State’s coffers generated by the statewide income tax, Oregon Lottery, and intergovernmental revenues.

Allocations of State revenues to local school districts come in the form of “general purpose grants.” The primary driver of the State allocation is the number of students in each district. This means that local property taxes generated by a school district have no direct impact on school funding in that district. Thus any impacts that a URA might have on a local school district property tax revenues would have no direct impact on school funding in that district.¹

Best Practices for Urban Renewal Agencies in Oregon (Association of Oregon Redevelopment Agencies April 2012)

Urban Renewal Financing (TIF)

Indebtedness:

“Maximum indebtedness” means the amount of the **principal** of indebtedness included in a plan pursuant to ORS 457.190 and does not include indebtedness incurred to refund or refinance existing indebtedness.

This is the most confusing area in the State Law. However, Sherwood simplified the process in the original URA Plan so I am not going to get into the specifics of this and will cover how Sherwood did this later in the presentation.

20% MI increase authorized in 2009

On or after January 1, 2010, the urban renewal agency may amend a plan that is not a large metropolitan plan as defined in ORS 457.470 to increase the maximum indebtedness, provided that:

(a) The aggregate of all amendments under this subsection may not exceed 20 percent of the plan’s initial maximum indebtedness, as adjusted pursuant to paragraph (b) of this subsection.

(b) For purposes of computing the 20 percent limit on increases in maximum indebtedness, the initial maximum indebtedness may be increased annually on the anniversary date of initial approval of the plan by the index used in the urban renewal report to compute the future costs of projects that will be financed under the plan, beginning on the later of July 1, 1999, or the first anniversary of plan approval. This increase may be applied only to the first amendment to the maximum indebtedness that is made on or after January 1, 2010.

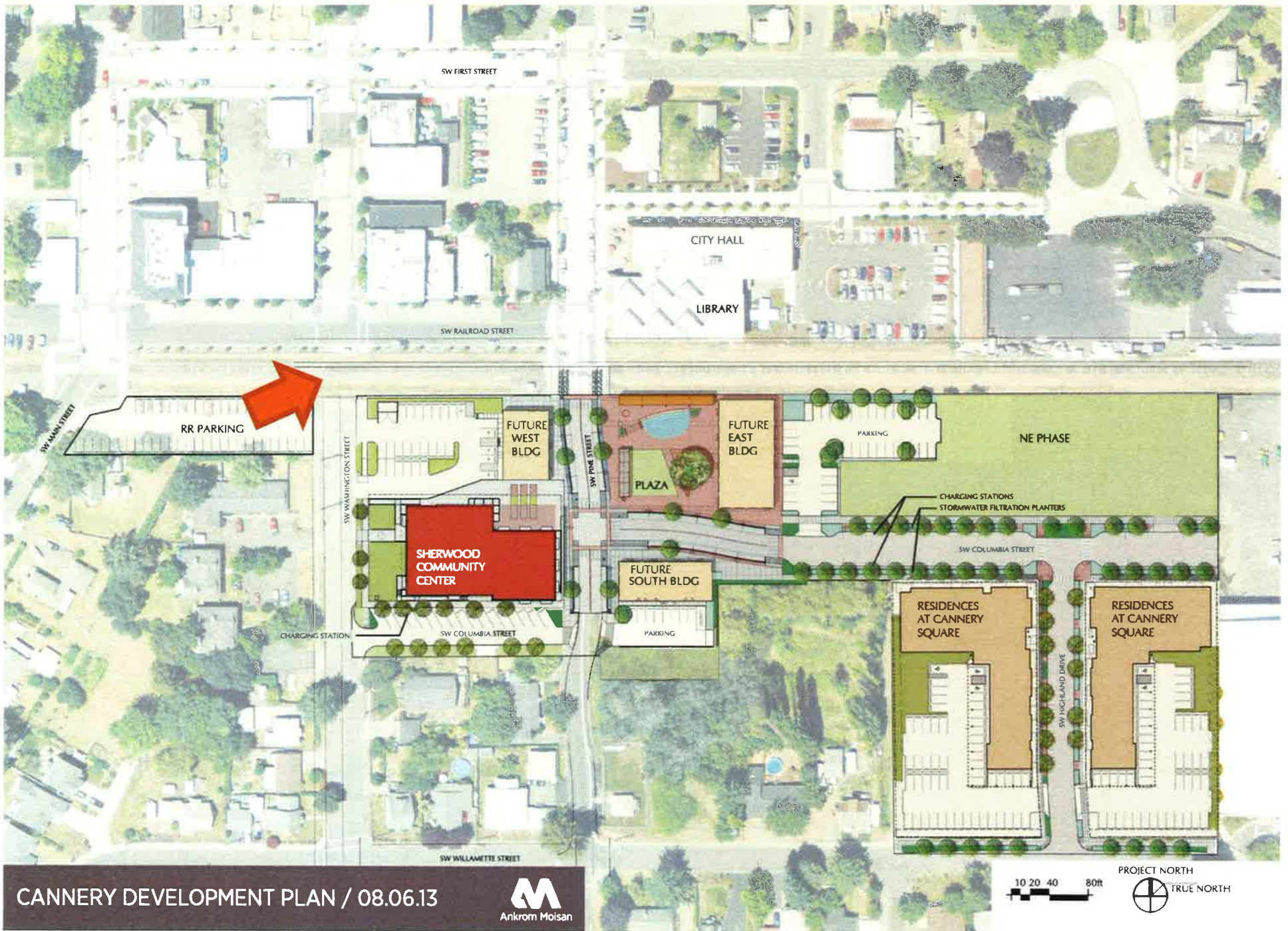
Maximum Indebtedness(MI)

- Set up a Advisory Committee
- Establish IGA between the City and the URA
- Establish Funding for projects (Bonds)
- Budget and Construct projects
- Prepare financial reporting (CARF and Year End Report)
- Amend Plan as necessary
- Close the URA

Operating a URA

- Mission Statement: Sherwood's URA was formed to remove the **BLIGHT** in Old Town and create a thriving business district that serves the community and becomes a destination for visitors.

Overview



CANNERY DEVELOPMENT PLAN / 08.06.13

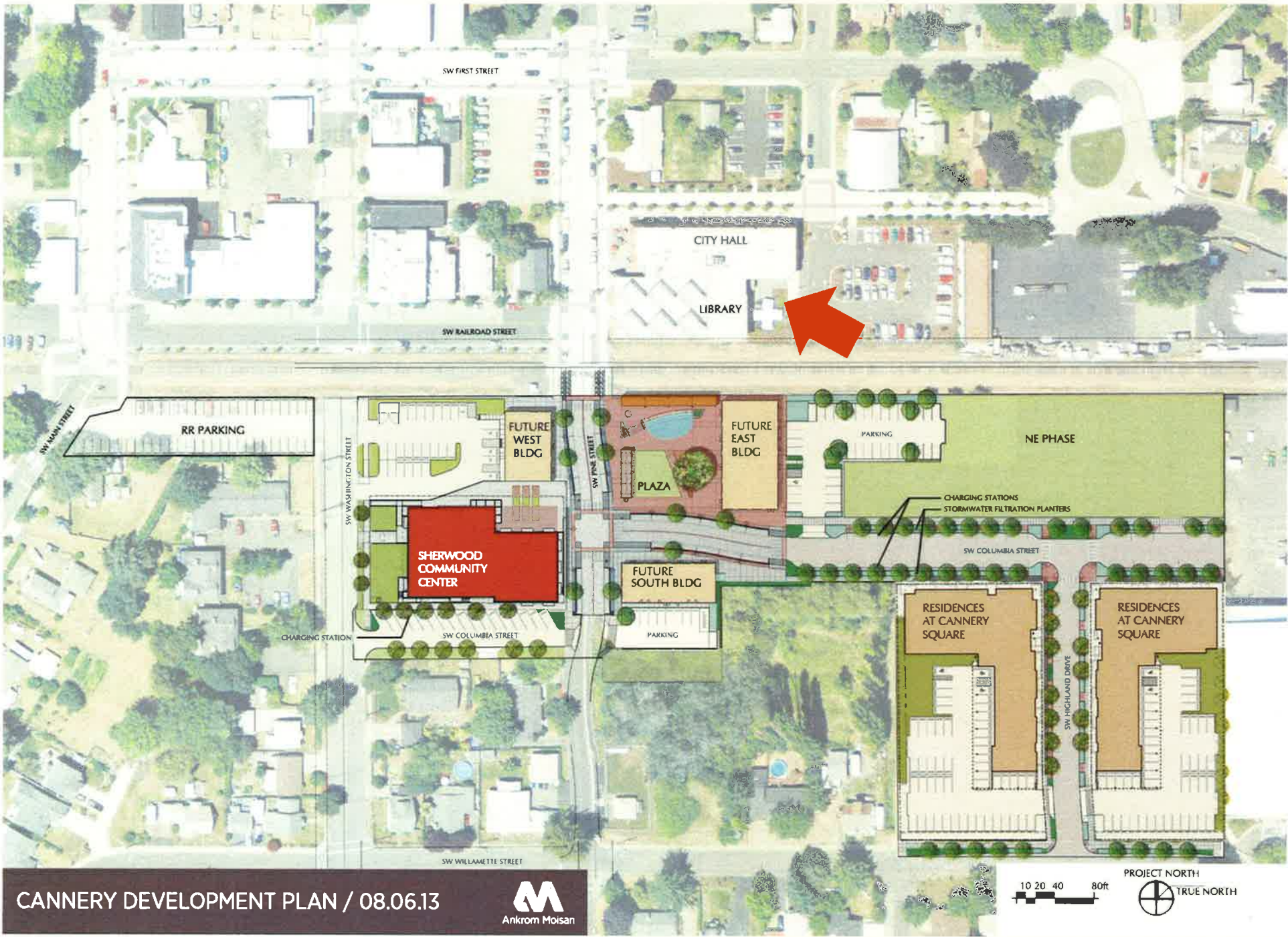


City Hall



City Hall/Library





CANNERY DEVELOPMENT PLAN / 08.06.13

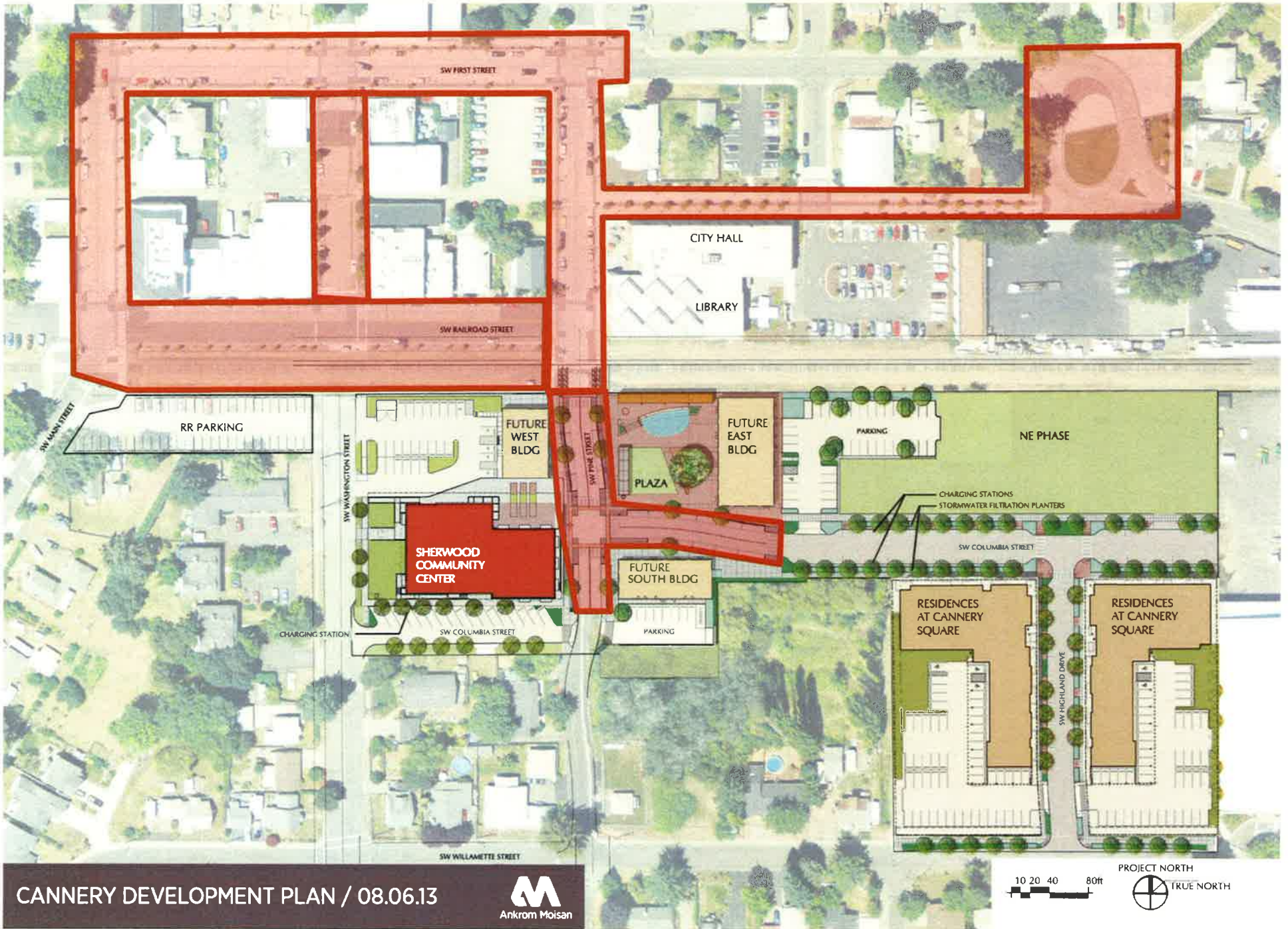


City Hall/Library



Streetscapes

Then and Now





Streetscapes



Streetscapes



Streetscapes



Streetscapes



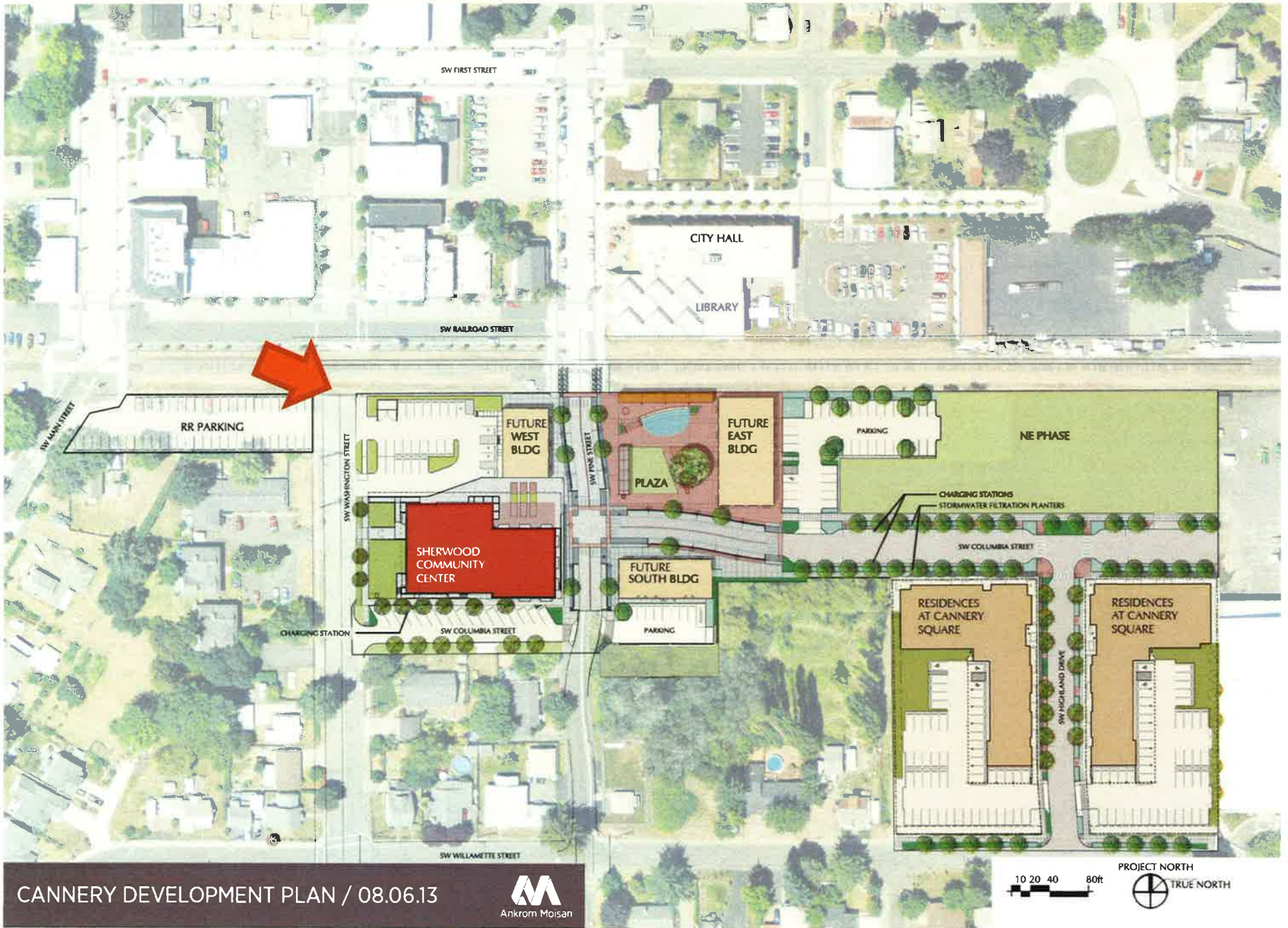
Streetscapes



Streetscapes

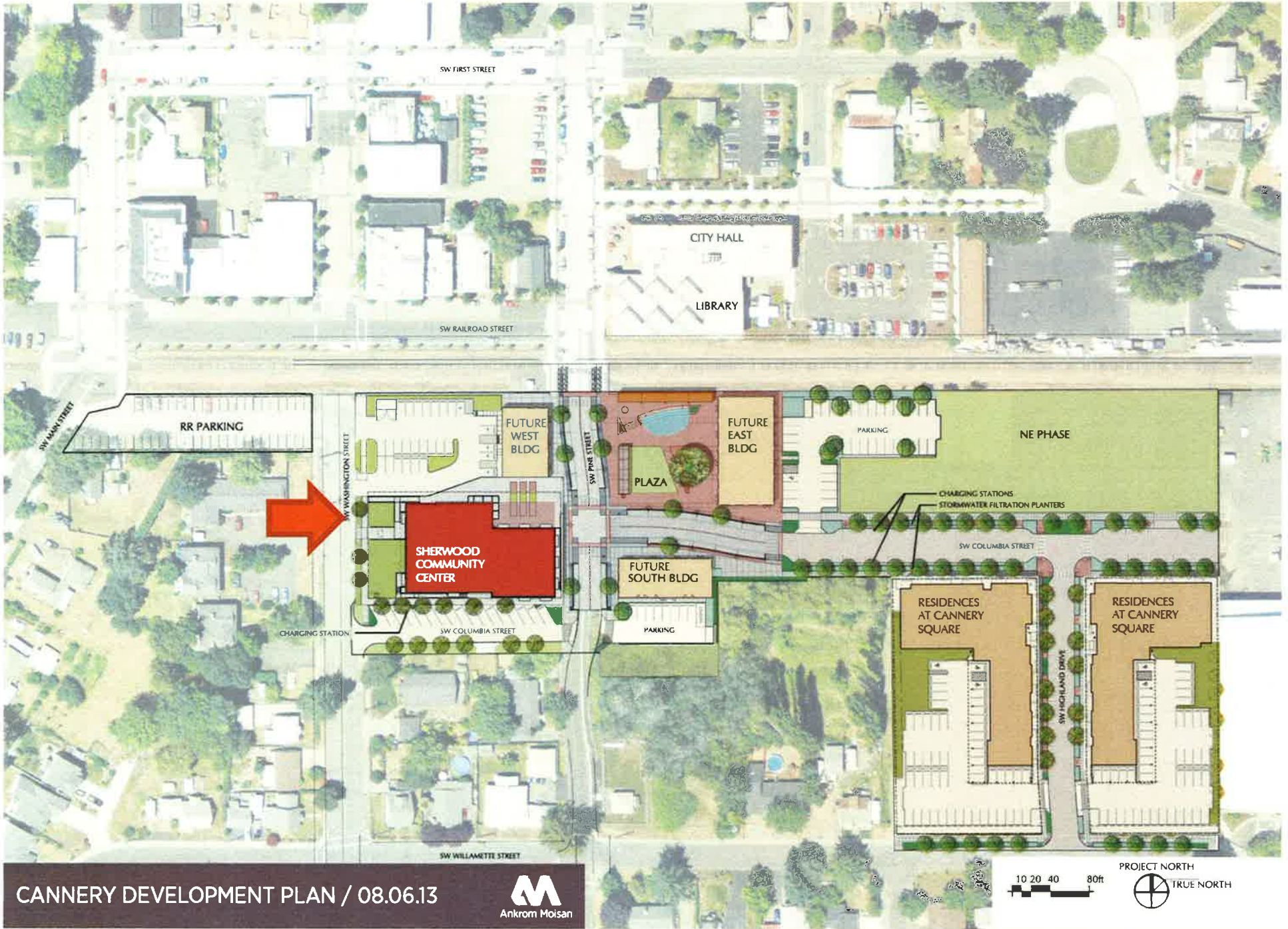


Streetscapes

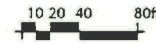






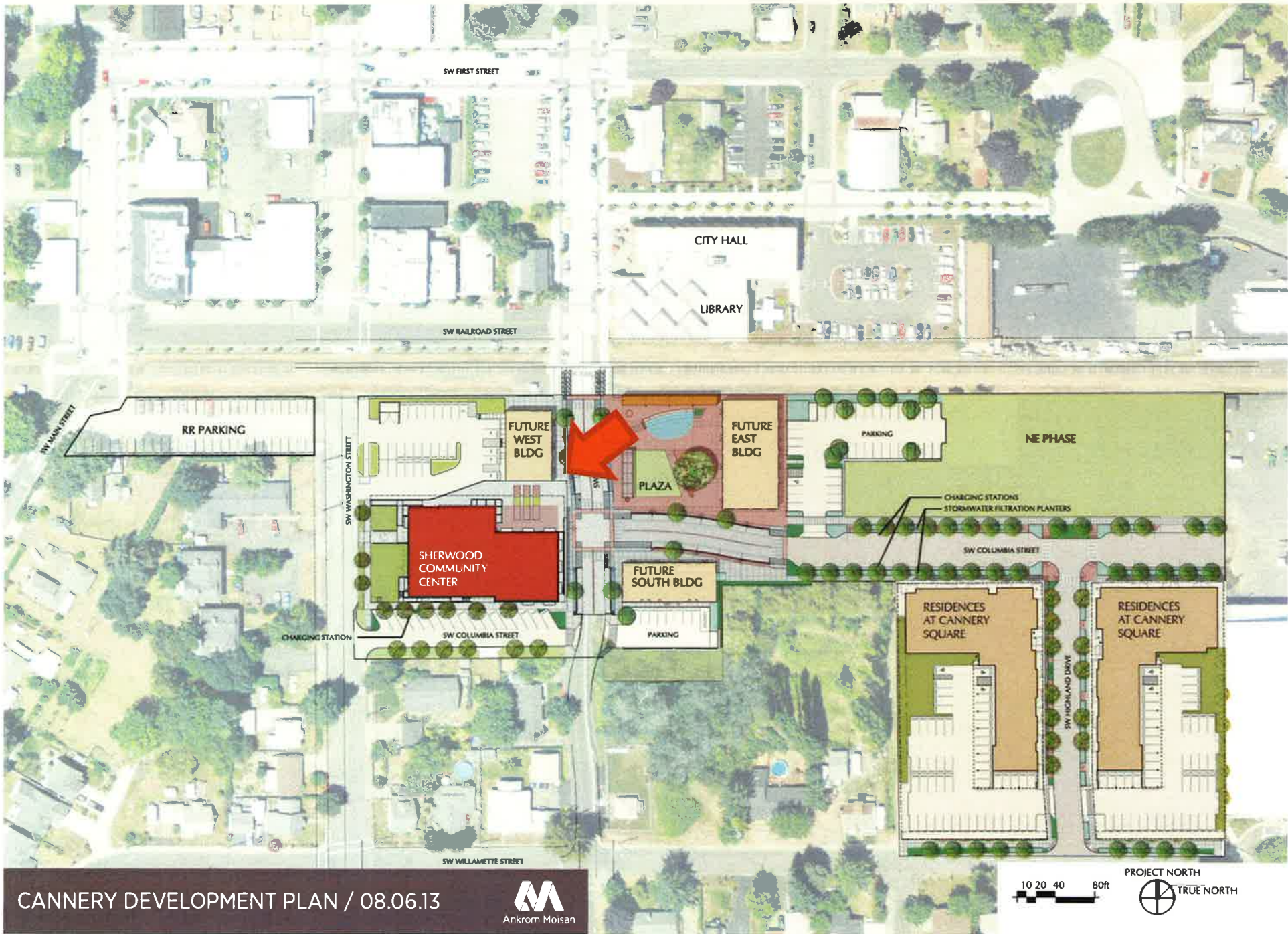


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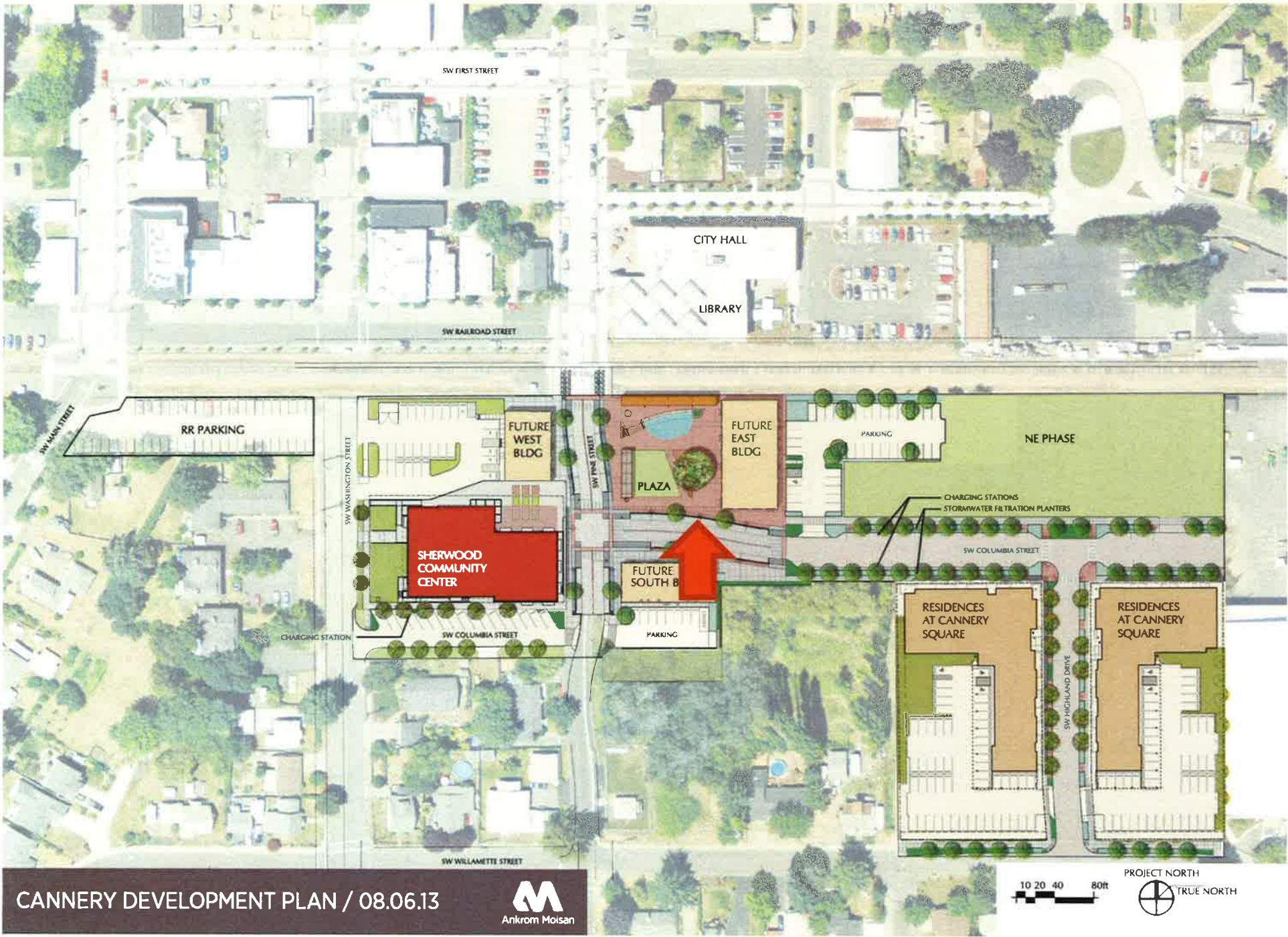
Machine Works Building



Community Center



Community Center



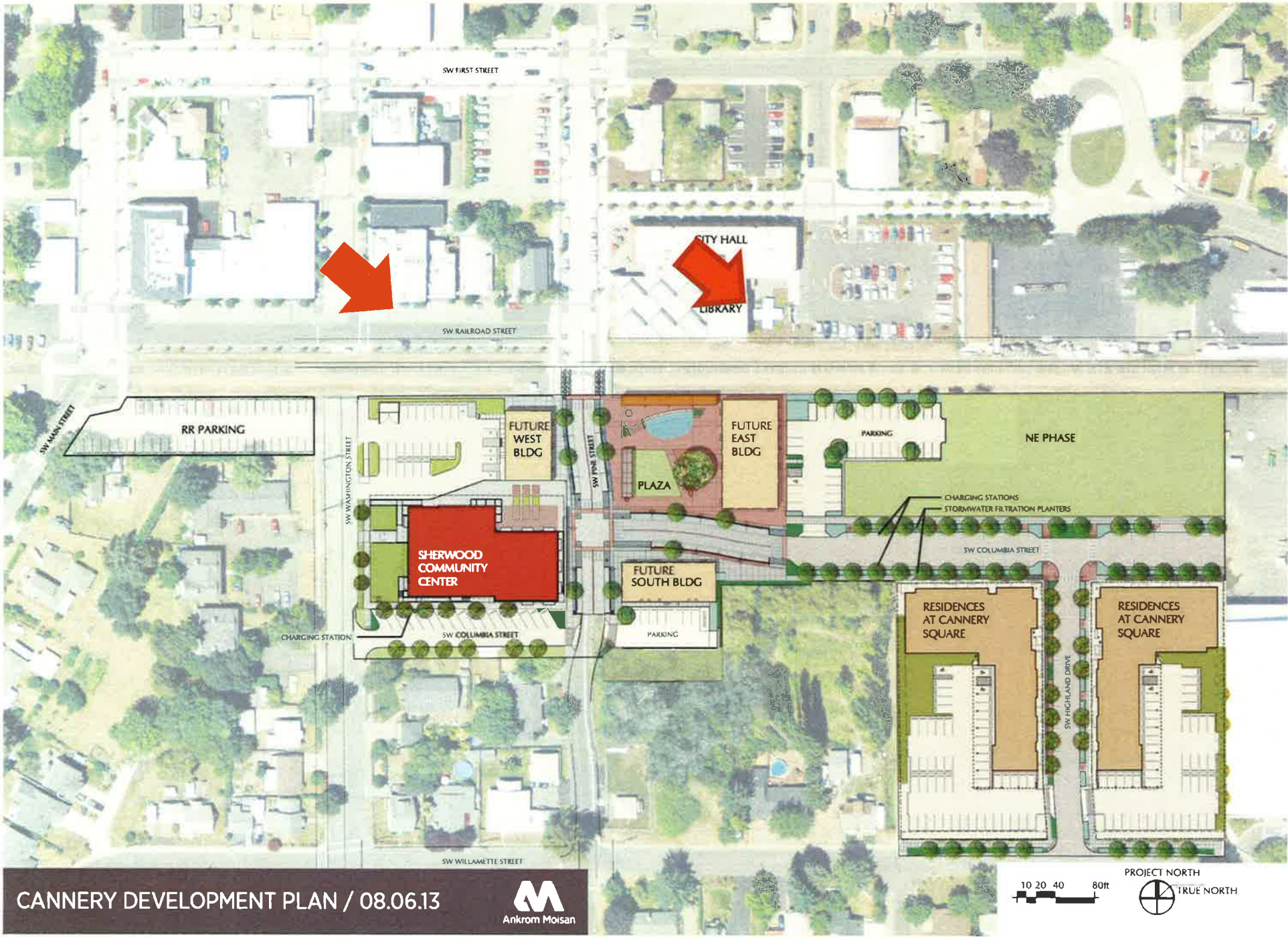
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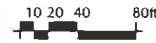




Cannery Plaza



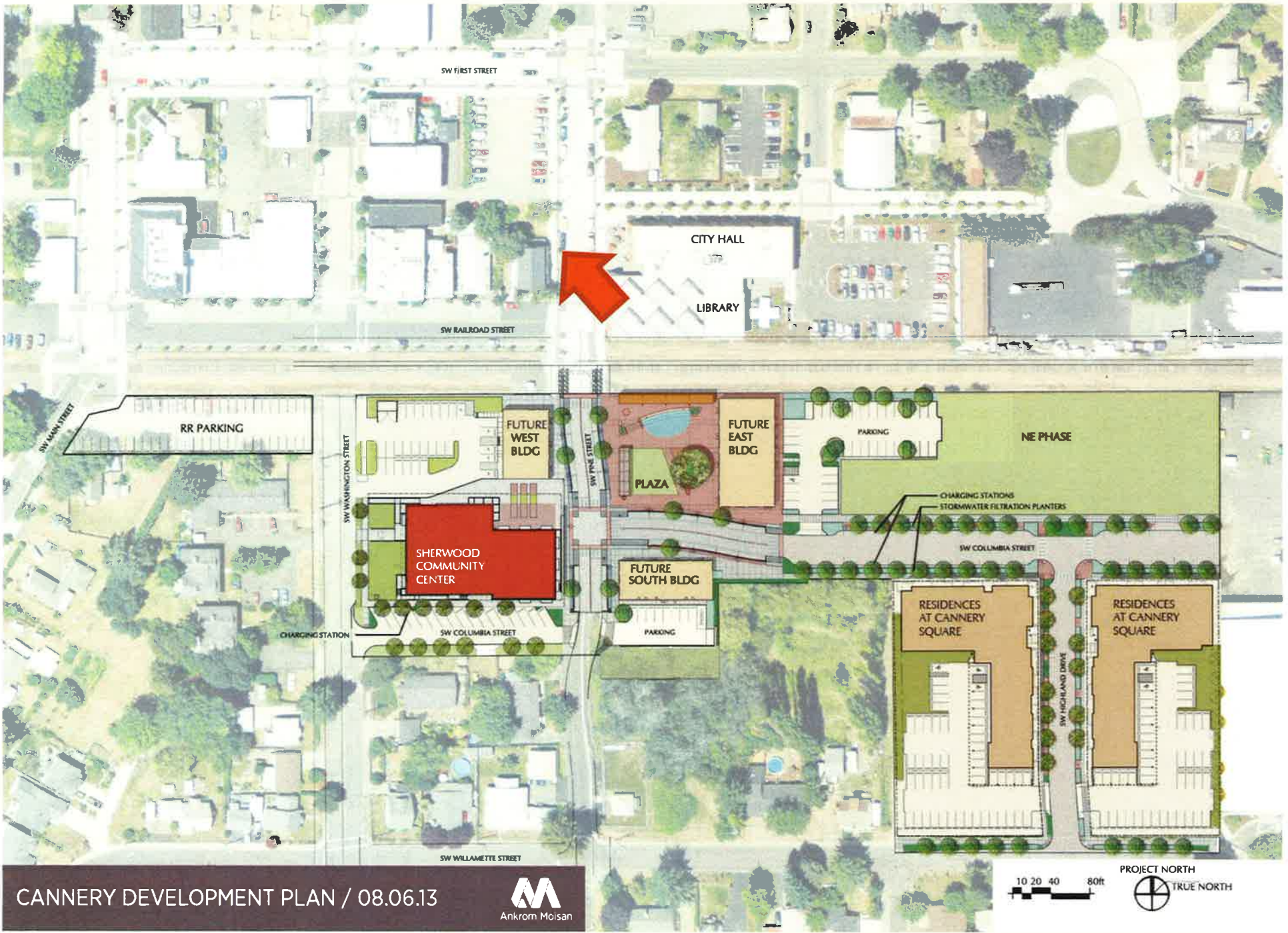
CANNERY DEVELOPMENT PLAN / 08.06.13







Cannery Row





Robinhood Theater



Robinhood Theater

- New Buildings
- Façade Grants
- Property Investment

Private Investment



New Buildings



New Buildings



New Buildings



New Buildings



New Buildings



Façade Grants



Façade Grants



Façade Grants



Façade Grants



Façade Grants

- Main Streets
- New Businesses

Business Development

- URA Report and Plan adopted in 2000
- Sherwood Urban Renewal Policy Advisory Committee (SURPAC) formed in 2000
- URA Plan amended in 2004
- Capital project construction 2005-2015
- Substantial Plan amendment in 2012
- SURPAC dissolved in 2014

Sherwood URA History

- Projects and costs set in 2000 plan
- Project list and costs updated in 2004
- Project list and costs updated in 2012

Plan Project Lists

- Boundaries set in 2000
- Minor adjustments to boundaries since.

District Boundaries

2011 Sherwood Urban Renewal Boundary



City of Sherwood GIS Program
 Source: 2011 Maps, GIS Data and
 City of Sherwood Data

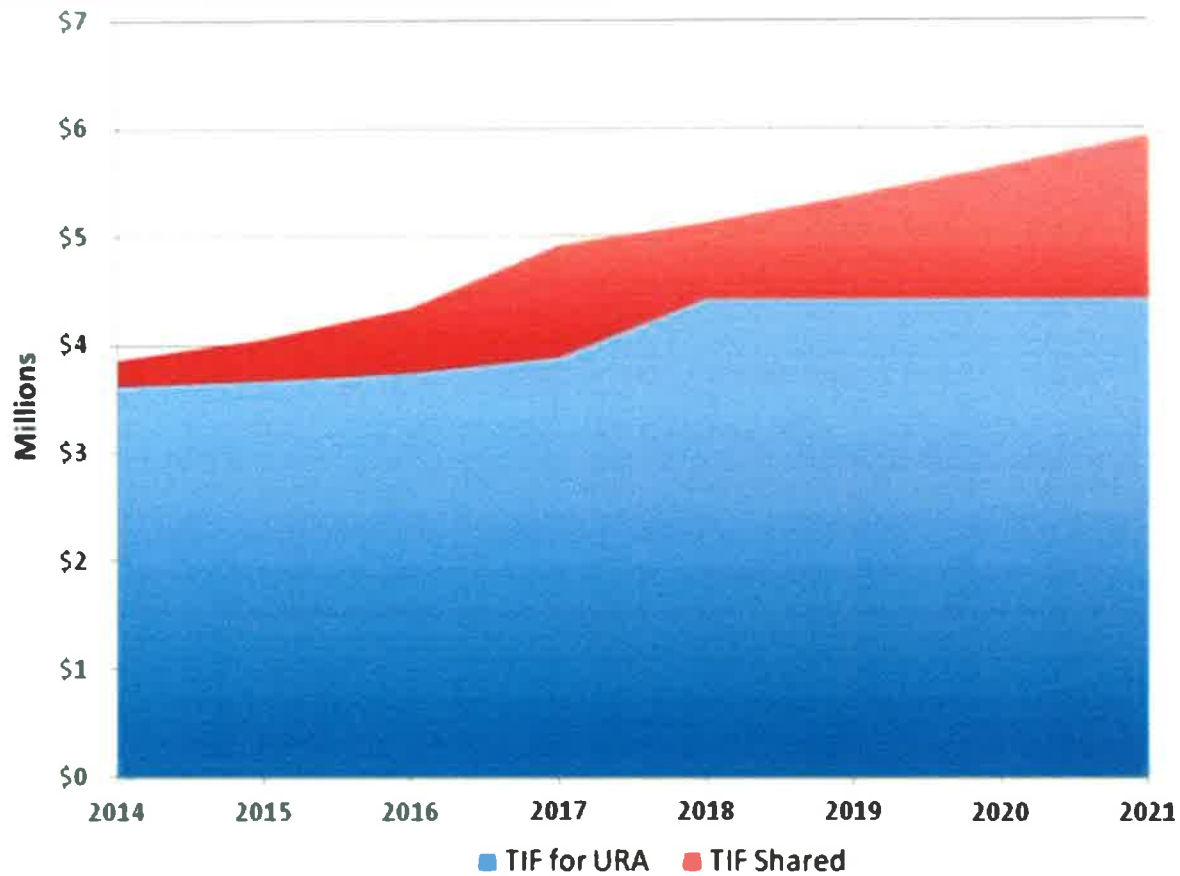
One of the changes made by the 2009 Oregon legislature was instituting revenue sharing with impacted taxing jurisdictions. This revenue sharing clause is applied to existing urban renewal plans when actions are taken that result in an increase in the maximum indebtedness of these existing plans. Revenue sharing is instituted at certain specified trigger points as specific in ORS 457.470.

The financial projections, completed by ECONorthwest, estimate that the Sherwood Urban Renewal Area (Area) will begin revenue sharing in FY 2014 when the Area is projected to meet the 10 percent of initial maximum indebtedness trigger stated in the statutes (10% of \$35,347,600 is \$3,534,760). At that 10 percent limit, the affected taxing jurisdictions will begin receiving a portion of the increased tax revenue as a result of the projected increased assessed value within the Area. This is a positive benefit to the taxing jurisdictions, as they will not receive this revenue sharing without the Amendment.

The Area is projected to meet the 12.5 percent of the initial maximum indebtedness trigger in FY 2016, at which time the tax increment revenues to the Agency from the Area are held stable at that number, \$4,418,450, and the impacted taxing jurisdictions receive a proportionate share of the increase in tax increment revenues for the remaining life of the district. These revenue sharing requirements only minimally impact the length of time the district will be in operation. An analysis of the tax increment revenues without revenue sharing indicates the Area would be able to pay off the debt one year later with revenue sharing as without.

Revenue Sharing

Sherwood Substantial Amendment Revenue Sharing



- 2000 plan set MI at \$35,347,600
- 2014 amendment set MI at \$45,133,469

Maximum Indebtedness (MI)

- See charts 1-4

Financial Accounting

- Chart 1

| Total Maximum Indebtedness Expended | |
|--|----------------------|
| MI Expended through January 2012* | \$ 33,195,402 |
| MI Expended Feb 2012 through January 2014 | <u>10,415,244</u> |
| Total MI Expended | \$ 43,610,646 |
| Note: Maximum Indebtedness | \$ 45,133,469 |
| *see Ord 2012-005, E. Howard Report p.2 | |

Financial Accounting

- Completed as of Jan 2012

| URA Projects | Expenditure |
|---|----------------------|
| Sherwood City Hall | \$ 9,197,507 |
| Downtown Streets Phase I | 8,225,079 |
| Cannery Project (Partially Completed) | 9,748,360 |
| Oregon Street/Langer Farms Pky. Intersection | 1,000,000 |
| Sherwood Forest Senior Affordable Housing Project | 389,453 |
| Old School Property | 619,627 |
| SW 1st Street Properties | 264,000 |
| Robin Hood Properties | 250,000 |
| SW Main Street Property (WQ Facility) | 245,572 |
| Sherwood School Fields and Grandstands | 380,000 |
| Façade Grants | 227,802 |
| Sherwood Field House | 600,000 |
| Sherwood Broadband | 200,000 |
| Administration (August/2000 to date) | 1,848,002 |
| Total | \$ 33,195,402 |

Financial Accounting

• Chart 2

| Calculation of Uncommitted Maximum Indebtedness | | |
|---|------------------|---------------------|
| Maximum Indebtedness (Ord 2012-005) | | \$ 45,133,469 |
| MI Expended through January 2012* | | (33,195,402) |
| Adjust E. Howard Report for Comm Cntr & Downtown St. ** | | 219,985 |
| Completed Project Costs from Feb 2012 - Sept 2014 | | |
| Cannery Site Development | | (41,778) |
| Plaza | | (324,946) |
| Columbia St Property | | (56,421) |
| Downtown Streetscapes Phase 2 | | (2,157,417) |
| Century Drive Extension | | (238,017) |
| Property purchase on 1st St | | (160,235) |
| Add Program Revenue | | 616,827 |
| Committed Future Costs: | | |
| Community Center | 8,004,307 | |
| Cedar Creek Trail | 115,000 | |
| Administration | <u>1,100,000</u> | |
| Total Committed Project Remaining Budgets | | <u>(9,219,307)</u> |
| Estimated Future Program Revenue | | |
| Sale of 1st Street properties | 140,000 | |
| Sale of Sherwood Blvd property | 275,000 | |
| Sale of Main St. property | <u>100,000</u> | |
| Total Estimated Future Program Revenue | | <u>515,000</u> |
| Uncommitted MI | | \$ 1,091,757 |
| * see ORD 2012-005, E. Howard Report p.2 | | |
| **removes CC Bldg & Downtown St expenses through Jan 2012 | | |

- Chart 3

| Future Project List: Uncommitted Projects Prioritized by SURPAC 2014 | | |
|---|-----------------------|---------------------|
| | Project Budget | Remaining MI |
| | | \$ 1,091,757 |
| Redevelopment of Public Land into Parking Lots | \$ 150,000 | \$ 941,757 |
| Sidewalk Improvements in Old Town | \$ 100,000 | \$ 841,757 |
| Old Town Alley conversion to walk ways | \$ 200,000 | \$ 641,757 |
| Old Town Branding/Signage | \$ 100,000 | \$ 541,757 |
| Oregon Street Improvements | \$ 3,290,000 | \$ (2,748,243) |
| Old Town Business Development Support | \$ 100,000 | \$ (2,848,243) |
| Lincoln Street | \$ 734,000 | \$ (3,582,243) |
| Traffic Re-routing Study/Plans for Old Town | \$ 100,000 | \$ (3,682,243) |
| Parking Study | \$ 50,000 | \$ (3,732,243) |

Financial Accounting

- Chart 4

| Committed Open Projects: Expenditures To Date | | | As of 1/31/15 | |
|---|---------------------|---------------------|-------------------|---------------------|
| Projects | Budget | Paid to Date | % of Budget Spent | Budget Remaining |
| Community Center | 8,004,307 | 6,961,529 | 87% | 1,042,778 |
| Cedar Creek Trail Design & Construction | 115,000 | 94,666 | 82% | 20,334 |
| Total Committed Project Budgets | \$ 8,119,307 | \$ 7,056,194 | | \$ 1,063,113 |

Financial Accounting

Future URA Goals

- Develop plan to spend last \$1 M
- Sell assets
- Create successful business district
- Foster reinvestment in private property
- Encourage private development and redevelopment
- Forge new partnerships

- Determine which projects will be completed
- Finish projects
- Sell Assets
- Close the URA down

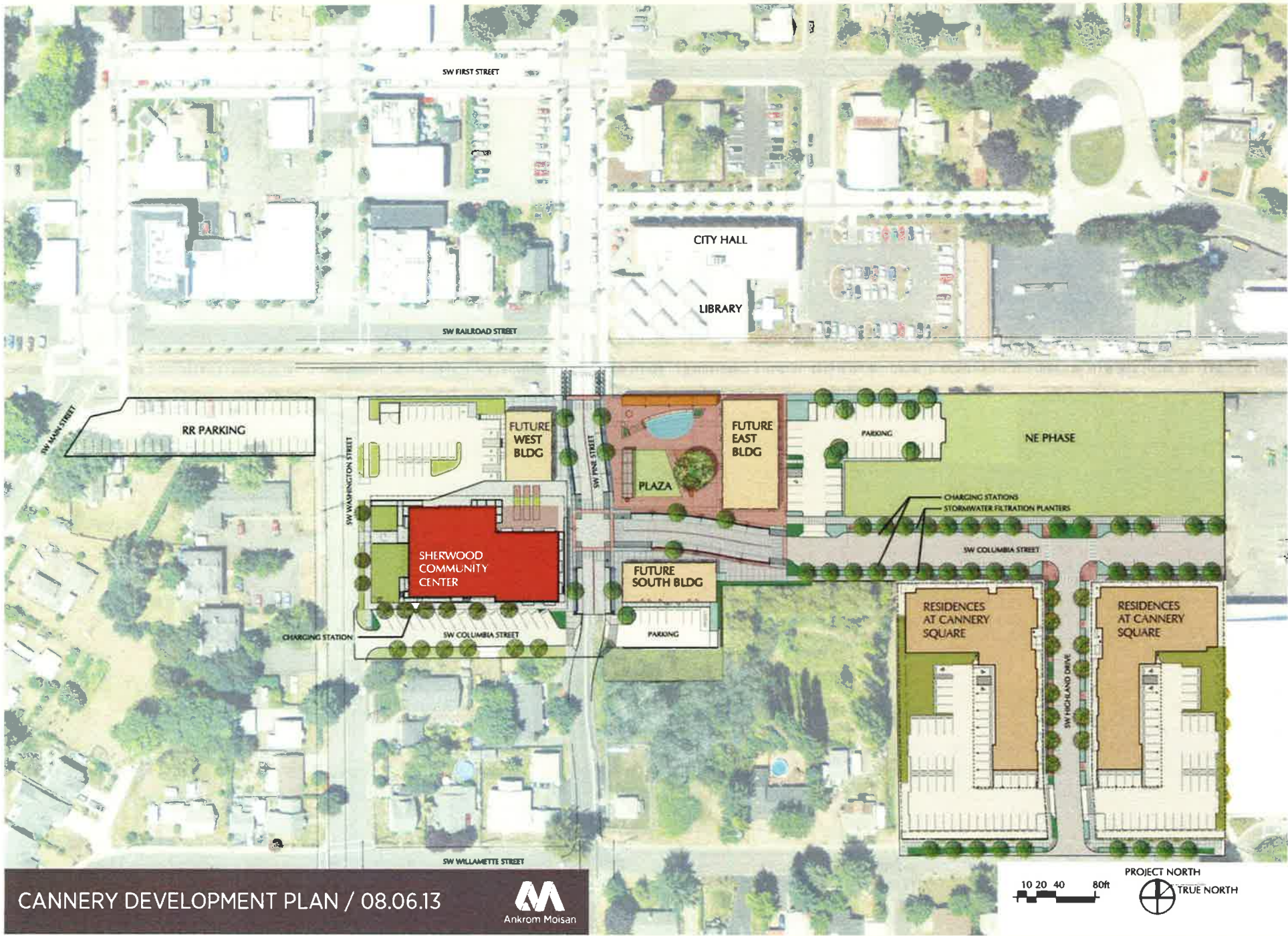
URA Future Tasks

- 1st Street Parking Lot
- Façade Grants
- Electronic Reader board at Center for the Arts
- Sidewalk Improvements in Old Town
- 1st-2nd Street Alleyway conversion
- Resource Assistance for Rural Environments (RARE) Intern for Old Town Master plan and business development
- Total \$475,000

Proposed projects for 2016

- Sell Sherwood Blvd and Main Street properties
- List Robinhood and 3rd Street properties
- Continue Business Development Efforts with Main Streets and Old Town businesses.

Other items for 2016



CANNERY DEVELOPMENT PLAN / 08.06.13



Approved Minutes

SHERWOOD URBAN RENEWAL AGENCY BOARD OF DIRECTORS
MEETING MINUTES
Tuesday, March 17, 2015
22560 SW Pine Street, Sherwood, Oregon 97140

URA BOARD WORK SESSION

1. **CALL TO ORDER:** Chair Krisanna Clark called the meeting to order at 9:18 pm.
2. **BOARD PRESENT:** Chair Clark, Sally Robinson, Jennifer Kuiper, Jennifer Harris, Beth Cooke and Linda Henderson. Dan King was absent.
3. **STAFF PRESENT:** City Manager Joe Gall, Assistant City Manager Tom Pessemier, Community Development Director Julia Hajduk and Agency Recorder Sylvia Murphy.
4. **TOPICS:**

A. Urban Renewal District 101

Tom Pessemier presented a power point presentation (see record, Exhibit A) and briefed the newly elected URA board members of the district's history and future. He provided background information on the URA Plan and reviewed state statutes and elements of the Plan. He reviewed Plan highlights and financing and explained taxing as it appears on a property tax bill.

Tom reviewed impacts to the school district and maximum indebtedness. He explained operating of the district, the district's advisory committee (SURPAC), IGA's between the URA and the City, financial reporting and plan amendments.

Tom explained the purpose of establishing an Urban Renewal District and recapped projects within the district, including projects supported by the Façade Grant Program. He recapped a project list and updates to the list and costs associated with the projects.

Tom explained the URD boundaries, revenue sharing and maximum indebtedness. He reviewed future tasks of the URA, project completion, selling of assets and the closure of the URA.

Tom recapped proposed projects for 2016 as: 1st Street Parking Lot; Façade Grants; Electronic Reader Board at the Center for the Arts; Sidewalk Improvements in Old Town; 1st-2nd Street Alleyway conversion; a Resource Assistance Intern for Old Town Master plan and business development for a total of \$475,000.

Tom reviewed other tasks for 2016 as: Selling Sherwood Blvd and Main Street properties, list Robin Hood and 3rd Street properties and continue business development efforts with Sherwood Main Street and Old Town businesses.

Questions and discussion followed.


5. ADJOURN:

Chair Clark adjourned the work session at 10:44 pm.

Submitted by:



Sylvia Murphy, MMC, Agency Recorder



Krisanna Clark, Chair